

Iowa Department of Education Qualified Zone Academy Bonds (QZABs)

REQUEST FOR AUTHORIZATION TO ISSUE QUALIFIED ZONE ACADEMY BONDS



Two copies of the request with original signatures must be submitted to the Iowa Department of Education. Application period is open.

Electronically submitted or faxed applications will not be accepted.

**Iowa Department of Education
Grimes State Office Building 2nd floor
East 14th and Grand Ave.
Des Moines, IA 50319-0146**

**Contact Person: Gary Schwartz
(515) 281-4743
Gary.Schwartz@iowa.gov**

Qualified Zone Academy Bonds Request for Authorization Information and Instructions

The Federal Taxpayer Relief Act of 1997 created the Qualified Zone Academy Bond Program (QZABs) to provide low or no interest financing for renovating school buildings and purchasing equipment. (New construction does not qualify under this program.)

Iowa has been allocated QZAB authority and the Iowa Department of Education will determine which districts with eligible QZAB projects will be authorized to issue QZAB bonds. QZABs are financial instruments that provide low or no interest bonds that are subsidized by the federal government in the form of tax credits to the bondholder. For more information, see the Frequently Asked Questions at www.ed.gov/pubs/fixschools/faqs.html and the web site at <http://www.qzab.org/>.

An eligible Qualified Zone Academy includes any public school (or academic program within a public school) that is established by and operated under the supervision of an eligible local education agency (LEA) to provide education or training below the postsecondary level if:

1. Such public school or program is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce.
2. Students in such public school or program will be subject to the same academic standards and assessments as other students educated by the eligible local education agency.
3. Such public school is located in an Empowerment Zone or Enterprise Community or there is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent of the students attending such school or participating in such program will be eligible for free or reduced price lunches under the school lunch program established under the National School Lunch Act.
4. Such school or program has established a partnership with a business.

Districts having schools in Empowerment Zones or in an Enterprise Community can be found by reviewing the following website: <http://www.ed.gov/pubs/fixschools/zones.html>. (Only the Des Moines School District has schools located within an Enterprise Community.)

Additional QZAB requirements are as follows:

- A district must determine whether the purpose for which a QZAB is issued conforms to state law regarding indebtedness.
- A district must obtain written agreements between a Qualified Zone Academy and one or more local businesses, which pledge contributions having a present value of at least 10 percent of the gross proceeds of the QZAB.
- A district must work with the financial institution to issue the QZAB's. The district will be responsible for repayment of the principal upon maturity.

School districts may use the Voted School Physical Plant and Equipment Levy or the Local Option Sales and Services Tax for School Infrastructure to repay the principal.

Districts must complete the request for authorization application, including appropriate assurances page, in duplicate, and submit to the Department of Education. QZAB authority allocations will be made upon receipt of a qualified application on a “first come first served” basis. However, priority will be given to districts that previously applied but were not granted the total amount requested. Incomplete applications will be disqualified and the next application will be considered. The “day of receipt” shall be determined by postmark or if hand delivered, by stamped date of delivery.

Authorizations will be made up to a cumulative maximum of \$1,000,000 per project. Only one project per district can be submitted.

The following chart identifies deadlines for each year’s allocation.

Year Allocated (by Feds)	QZAB Debt Must be Issued By December 31,
1998	2000
1999	2001
2000	2002
2001	2003
2002	2004
2003	2005
2004	2006
2005	2007

The districts must notify the Iowa Department of Education upon issuance of the QZAB debt. If debt has not been issued within one year after the authorization is received, a status report is required. If a district accepted authorization to issue bonds, and later determines the full amount of bonds will not be issued, the Department must be notified immediately so the authorization can be given to another district before the allocation expires.

Qualified Zone Academy Bonds Application for Authorization

District Name _____ Co. District Number _____

Building Name _____ Building Number _____

Contact Person _____
(This is the official QZAB contact person and will receive all QZAB information)

Address _____
Street Address

City _____ IA _____ AEA _____ County _____
State Zip

Contact Phone Number (____) _____ Fax Number (____) _____

E-Mail Address _____

Project description _____

Local 10 percent match obtained from _____

In accordance with the provisions of federal laws and regulations governing Qualified Zone Academy Bonds (QZAB), request is hereby made for an authorization of such QZAB in the amount of _____ dollars (\$_____).

I (we) certify under penalty of perjury that to the best of my (our) knowledge, the information in this application is true and correct and is in compliance with statutes and administrative rules of the Iowa Department of Education. The Governing Board of the above named school district has authorized me to sign this request for authorization on its behalf.

Signature of Superintendent: _____

Typed Name of Superintendent: _____ Date: _____

Signature of Board President: _____

Typed Name of Board President: _____ Date: _____

QUALIFIED ZONE ACADEMY BONDS

Assurances

A district that requests Qualified Zone Academy Bond authority certifies that the proposed project qualifies under the QZAB program and assures the following:

1. Ninety-five percent of the proceeds will be spent for qualified purposes for the school designated as a Qualified Zone Academy.
2. The school for which the bonds will be issued is a Qualified Zone Academy because the school has at least 35 percent of the student body eligible to receive free/reduced price lunches or is located in an Empowerment Zone or Enterprise Community. The academic program of the school has been designed in cooperation with a business to enhance the academic curriculum, increase graduation and employment rates and better prepare students for the rigors of college and the increasingly complex work force.
3. The bonds issued will be designated for the purpose of issuance as a Qualified Zone Academy Bond.
4. The school has written assurances that the private business contribution has been met.
5. The bond issuer has written approval of the eligible school district for such bond issuance.
6. The school district understands that they are completely responsible for compliance with all applicable laws and regulations governing the terms and conditions of such bond issuance upon being allocated any funds by the Department of Education.

Signature of Superintendent

Date

Signature of Board President

Date